
STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



INDIANA GOVERNMENT CENTER NORTH
100 NORTH SENATE AVENUE N1058(B)
INDIANAPOLIS, IN 46204
PHONE (317) 232-3777
FAX (317) 232-8779

To: County Auditors, County Assessors, Township Assessors, & Township Trustee Assessors

From: Department of Local Government Finance

Date: August 19, 2005

Re: Personal Property Tax Audits

When a personal property tax audit conducted by an assessing official, a contractor hired by an assessing official, or the DLGF reveals an over assessment by the taxpayer, the assessing official may change the assessment to the amount that the audit determines to be correct. The assessing official should send the audit report and a claim for refund, Form 17T, to the taxpayer. When the taxpayer receives the audit report demonstrating a previous over assessment, the taxpayer should file a claim for refund, Form 17T, with the county auditor and attach the audit report and proof of prior payment.

The legislature has made clear throughout Ind. Code §§ 6-1.1 that its intent is to reach a fair and accurate assessment of all tangible property. In accordance with this intent and guided by the fundamental principles of fairness, the DLGF has determined that if an assessing official, through an audit conducted to discover under assessed or omitted property, discovers that a taxpayer has over assessed property that the assessing official can and should decrease the assessment to the amount the assessing official determines is correct.

The power of an assessing official to take such action is provided by the Home Rule Act, Ind. Code §§ 36-1-3. Under the Home Rule Act a local entity is granted all powers necessary or desirable to effectively conduct local affairs. The statutory power of an assessing official to conduct an audit to examine and verify personal property tax returns, when the assessing official deems such an audit to be appropriate, includes a necessary power to apply the audit results in a manner consistent with legislative intent. This implied power is not limited by Ind. Code § 6-1.1-9-3, which explicitly grants the power to increase an assessment for up to three years because this statute does not say that an assessor may not also decrease an assessment. An expressed statutory power to increase an assessment for three years does not preclude the implied power to decrease an assessment for three years. See *Tippecanoe County v. Ind. Mfr. Assoc.*, 784 N.E.2d 463, 466-67 (Ind. 2003).

If you have any questions, please contact the Assessment Division at (317) 232-3773.